

How to boost sales

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Owners of small and medium enterprises (SMEs) are under constant pressure to grow their sales.

Whether the global financial crisis is behind us, many are not yet enjoying a recovery and must improve results from the resources they've kept.

While a recent survey by global workspace company Regus found in Australia 25 per cent more medium-sized businesses than the global average (42 per cent) report a rise in revenues, businesses are also predicting a slowdown in the pace of economic growth.

Australian businesses in particular have shifted their estimations for recovery from June 2010 to September 2010. There is an inescapable air of caution out there. The reality is that economic buoyancy in the business world couldn't come quickly enough for SMEs.

So what should a SME facing tough economic conditions do? There are several resources available to help businesses be more effective such as rigorous recruitment, a clear business plan, and a sales and marketing strategy.

Despite this, organisations typically default to discounting prices, often taking on larger competitors with deeper pockets. Whereas in fact, to claim valuable market share we need to be different: to stand out.

All businesses rely on the quality and performance of salespeople to achieve growth. But business leaders are continually exposed by weak, underperforming sales teams.

Research shows that only one in four sales people consistently performs at a high level, with just 6 per cent being elite. So while we all aim to have the best, we are commonly saddled with underperforming liabilities. With limited resources what should a business leader do?

The good news is, smaller businesses have the ability to respond to



Salespeople play a big role in purchase decisions.

opportunities fast. When combined with strong sales ability, this gives the greatest competitive advantage.

Research by Corporate Visions in the US identifies reasons why customers buy (as a percentage of the purchasing decision):

- Product and service delivery 19 per cent.
- Value to price ratio 9 per cent.
- Company brand and impact 19 per cent.
- Field interactions 53 per cent.

Note that salespeople, who fall into the field interaction category, play a bigger role than products, pricing and brand combined.

Yet most companies implement little if any "best in class" sales hiring and development practices.

Sound advice comes from a research paper entitled *Taking the Lid off your Organisation* by Julian Griffith. He recommends five things organisations can do to address the threat of sales team underperformance:

- Spend time to properly understand your sales managers and let them know exactly what is expected of them and hold them accountable.
- Your managers may need coaching and developing. Stronger ones

get excited by and embrace the opportunity for development. Weaker ones may feel threatened and attempt to side step change.

■ Take a fresh look at your salespeople and question whether they are really committed to the business. Are they an asset or a liability?

■ Consider putting in place continuing development and training for key people who are going to help you grow your business

■ Don't bring new salespeople into your business until you have started to rectify any problems with your current people; only when you are ready, absolutely ensure you have a robust selection process in place to attract only high performing salespeople into your business.

This is sound advice for SMEs, who possibly feel the "bumps" in the road to recovery more than the large corporate players. Adopting these strategies for selecting and nurturing your sales employees should provide consistent sales growth and a definable point of difference as experienced by your customers. Much more than discounting will.

■ *Kurt Newman is founder of Sales Consultants*